

IN THE MATTER OF:

SAXON MORTGAGE SERVICES, INC.

* BEFORE THE MARYLAND
* COMMISSIONER OF
* FINANCIAL REGULATION
*
* CASE NO. DFR-EU-2008-229
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SETTLEMENT AGREEMENT AND CONSENT ORDER

DUPLICATE

This Consent Agreement is entered into this 31st day of December, 2008 by and between the Maryland Commissioner of Financial Regulation (the "Commissioner") and Saxon Mortgage Services, Inc., 4708 Mercantile Drive, Fort Worth, Texas 76137 ("Saxon").

WHEREAS, the Commissioner is charged under the Maryland Mortgage Lender Law, Financial Institutions Article, Title 11, Subtitle 5 of the Annotated Code of Maryland (the "MMLL"), with the responsibility of licensing and supervising mortgage servicers and lenders who make or broker consumer loans secured by residential real property located in this State; and

WHEREAS, the Commissioner alleges that Saxon engaged in the business of servicing Maryland mortgage loan transactions at its Fort Worth and Irving, Texas location without a proper license under the MMLL; and

WHEREAS, Saxon, despite disputing the Commissioner's allegations, nevertheless desires to operate in this State as a mortgage servicer and/or lender, desires to comply with all applicable Maryland laws and regulations; and

WHEREAS, the Commissioner desires to ensure that Saxon will comply with all applicable licensing requirements and other provisions of Maryland law and regulations applicable to mortgage servicing and/or lending in this State, and desires to avoid the cost to the taxpayers of lengthy hearings, court proceedings and appeals resulting from a litigated disposition of these allegations; and

WHEREAS, Saxon also desires to avoid the cost of a hearing and potential court proceedings resulting from a litigated disposition of these allegations; and

WHEREAS, Saxon acknowledges that it has voluntarily entered into this Consent Order with full knowledge of its right to a hearing on the allegations set forth herein, pursuant to Financial Institutions Article, 11-518, Annotated Code of Maryland and the Maryland Administrative Procedures Act (Md. Code Ann., State Gov't Article 10-201 *et seq.*), and hereby waives its right to a hearing. Saxon further acknowledges that it had an opportunity to consult with independent counsel in connection with its waiver of rights and the negotiation and execution of this Consent Order and has, in fact, consulted with its own counsel.

NOW, THEREFORE, in consideration of the mutual premises contained herein, it is by the Maryland Commissioner of Financial Regulation, on the day and year first above written, hereby ORDERED that:

1. The Recitals set forth above are and shall form a part of this Agreement.

2. Saxon agrees that it will operate its Fort Worth, Texas location as if licensed from January 2005 through March 1, 2009 and its Irving, Texas location as if licensed from August 25, 2008 through March 1, 2009. Saxon consents to and agrees that the Fort Worth and Irving, Texas locations are operating under the jurisdiction of the Commissioner of Financial Regulation from January 2005 through March 1, 2009. Saxon will at that time apply for new licensing for both the Fort Worth and Irving, Texas locations if not exempt from licensing by March 1, 2009.
3. Saxon agrees to begin service reporting to the State of Maryland as required. Service reporting will start with September 1, 2008 records and go forward until no longer required to report by statute, exemption, or other legal reason.
4. Saxon agrees to pay to the State of Maryland a total of \$23,700.00 in a two checks (one for \$4,700.00 and another for \$19,000.00) on the date of execution of this agreement for the following: (Check to be made payable to **Commissioner of Financial Regulation**)

Fort Worth location		
Licensing Fees	\$	2,000
Surcharges	\$	500
Investigation Fees	\$	100
Irving location		
Licensing Fees	\$	1,000
Investigation Fees	\$	100
Investigation Fee (Enforcement Unit)	\$	1,000
Commissioner Servicing Assessment	\$	19,000
Total	\$	23,700

5. Saxon agrees to provide a telephonic overview of their loss mitigation processes to the Maryland Hope Program counselors within thirty days of the execution of this agreement.
6. Saxon agrees to conduct loss mitigation services and/or complaint resolution services with those parties involved in open complaints on file with the Commissioner as specified in the attached Schedule A.
7. Saxon acknowledges that in the event it violates any provision of this Agreement, the MMLL, any other State laws which apply to mortgage lending in Maryland, or any regulation promulgated pursuant to any such laws; the Commissioner may, at the Commissioner's discretion, take such enforcement actions as are permitted by, and are in accordance with, applicable law. Subject to the particular circumstances, such actions may include such things as: an order to cease and desist; a suspension or revocation of its mortgage lender license; monetary sanctions; and/or referral for possible criminal prosecution.

DUPLICATE

8. Without admitting a violation occurred, Saxon acknowledges that it has voluntarily entered into this Agreement, with full knowledge of the right to a hearing pursuant to the MMLL and the Maryland Administrative Procedure Act.
9. This Agreement constitutes the complete resolution of a disputed matter, (the allegations as set forth previously) and does not constitute nor shall it be deemed an admission by Saxon of liability or a violation, willful or otherwise, of the licensing provisions of the MMLL.
10. Saxon acknowledges that this Settlement Agreement and Consent Order is considered a Final Order of the Commissioner for the purposes of any future action under the appropriate regulatory laws of the State of Maryland.

IN WITNESS WHEREOF, this Agreement is executed in duplicate, on the day and year first above written. Additionally these signatures below constitute receipt of the fines, fees, and surcharges as indicated in #4 above.

**COMMISSIONER OF FINANCIAL
REGULATION**

By: _____

Mark Kaufman
Deputy Commissioner

Witness: _____

Calvin I. Wink, Jr.
Supervising Investigator

**SAXON MORTGAGE
SERVICES, INC.**

By: _____

[Signature]